DCMC Business Planning

"Turning our plans into organizational commitments"
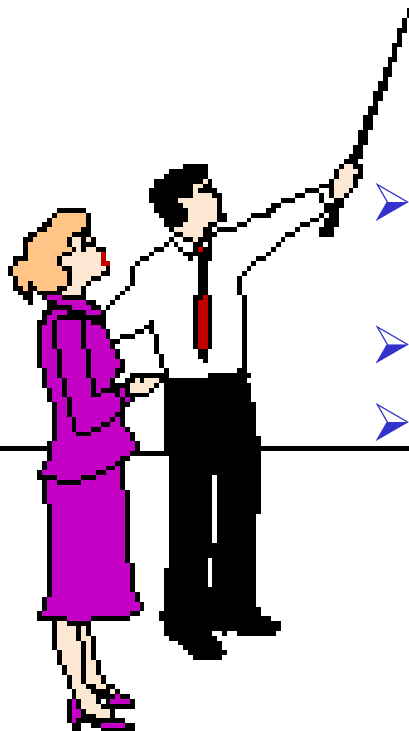
Jim Russell, DCMC-BD

DCMC Group Leaders Conference

February 25, 1999

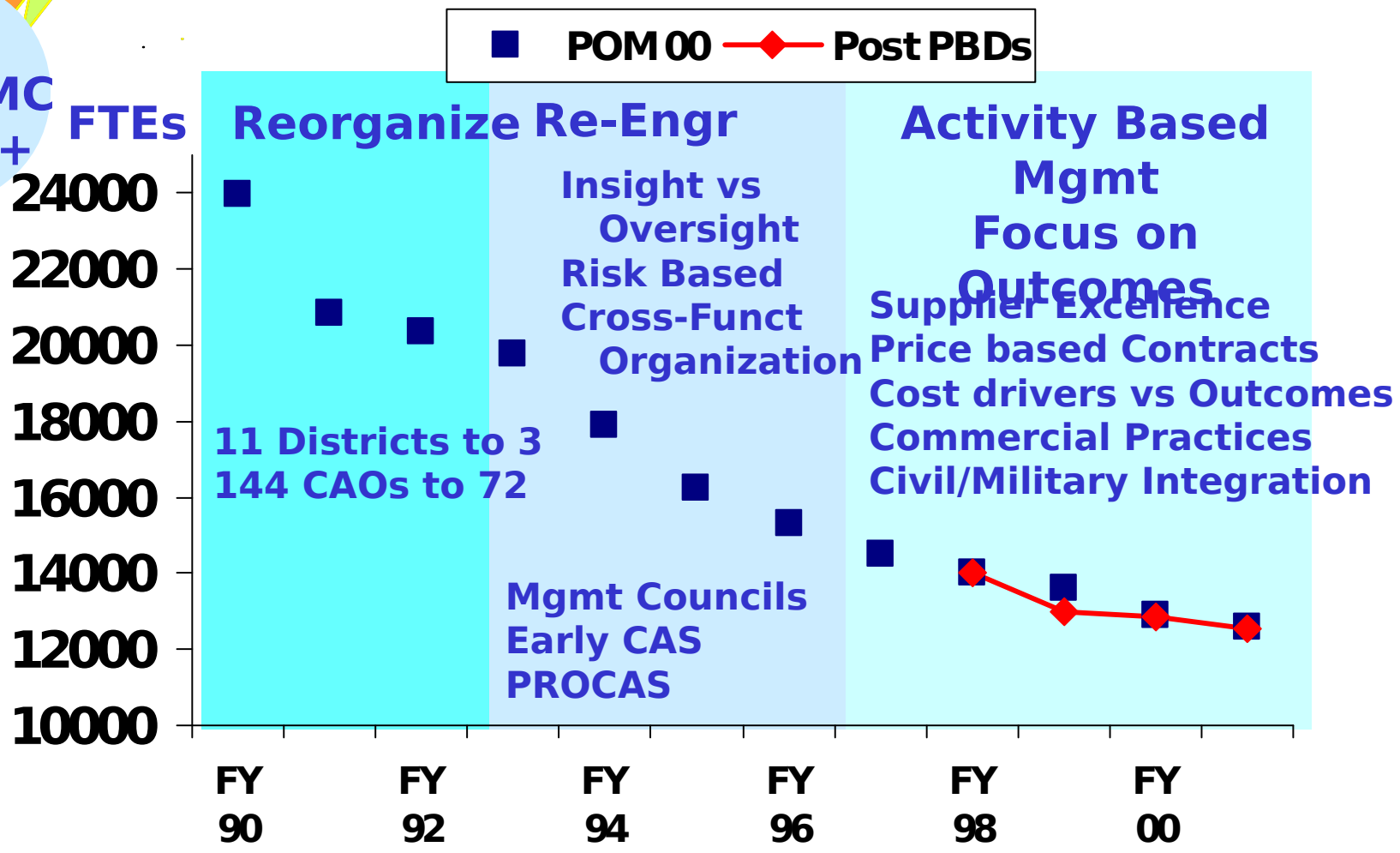And more importantly, what's the CAO role

Agenda

➢ **Developing the Business Plan**

➢ **DCMC Planning Team**

➢ **What's in the Business Plan**

  ➢ **Long-Range Plan**

  ➢ **Performance Plan**

    • **Comparison 98 - 99 - 00**

    • **Performance Plan Contents**

    • **Linkage to PLAS**

➢ **Lessons learned from review of FY 99 CAO plans**

➢ **DCMC Performance Contracts**
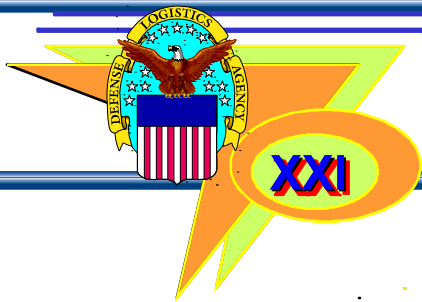
➢ **What's on the scope**

But first, a wake up call

XXI

1989 Pre-DCMC 30,000+

FTEs

POM 00   Post PBDs

Reorganize Re-Engr

Activity Based Mgmt Focus on Outcomes

Insight vs Oversight
Risk Based
Cross-Funct Organization

Supplier Excellence
Price based Contracts
Cost drivers vs Outcomes
Commercial Practices
Civil/Military Integration

11 Districts to 3
144 CAOs to 72

Mgmt Councils
Early CAS
PROCAS

24000
22000
20000
18000
16000
14000
12000
10000

FY 90   FY 92   FY 94   FY 96   FY 98   FY 00

And the end is not yet in site

DCMC Business Strategy...
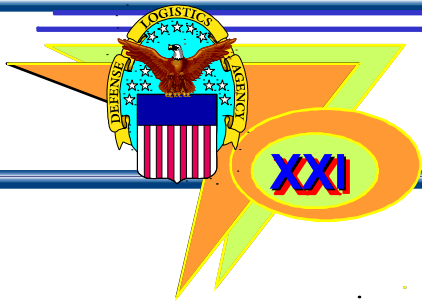# Tools We Are Using

XXI

- ➢ **Facilitating Acquisition Reform**
  - ➢ **Management Council**
  - ➢ **IPT Pricing**

- ➢ **Civil Military Integration**
  - ➢ **Single Process Initiative**
  - ➢ **Early CAS**

- ➢ **Reengineering Business Process**
  - ➢ **Integrated Management System**
  - ➢ **Unit Cost Management**

- ➢ **Customer Focus**
  - ➢ **Common Metrics**
  - ➢ **Customer Liaisons**

Business Strategy

Acquisition Reform

Civil/Military Integration

Customer Focus

Teaming with our Business Partners to Achieve Customer Results

Reengineering

DCMC Business Framework
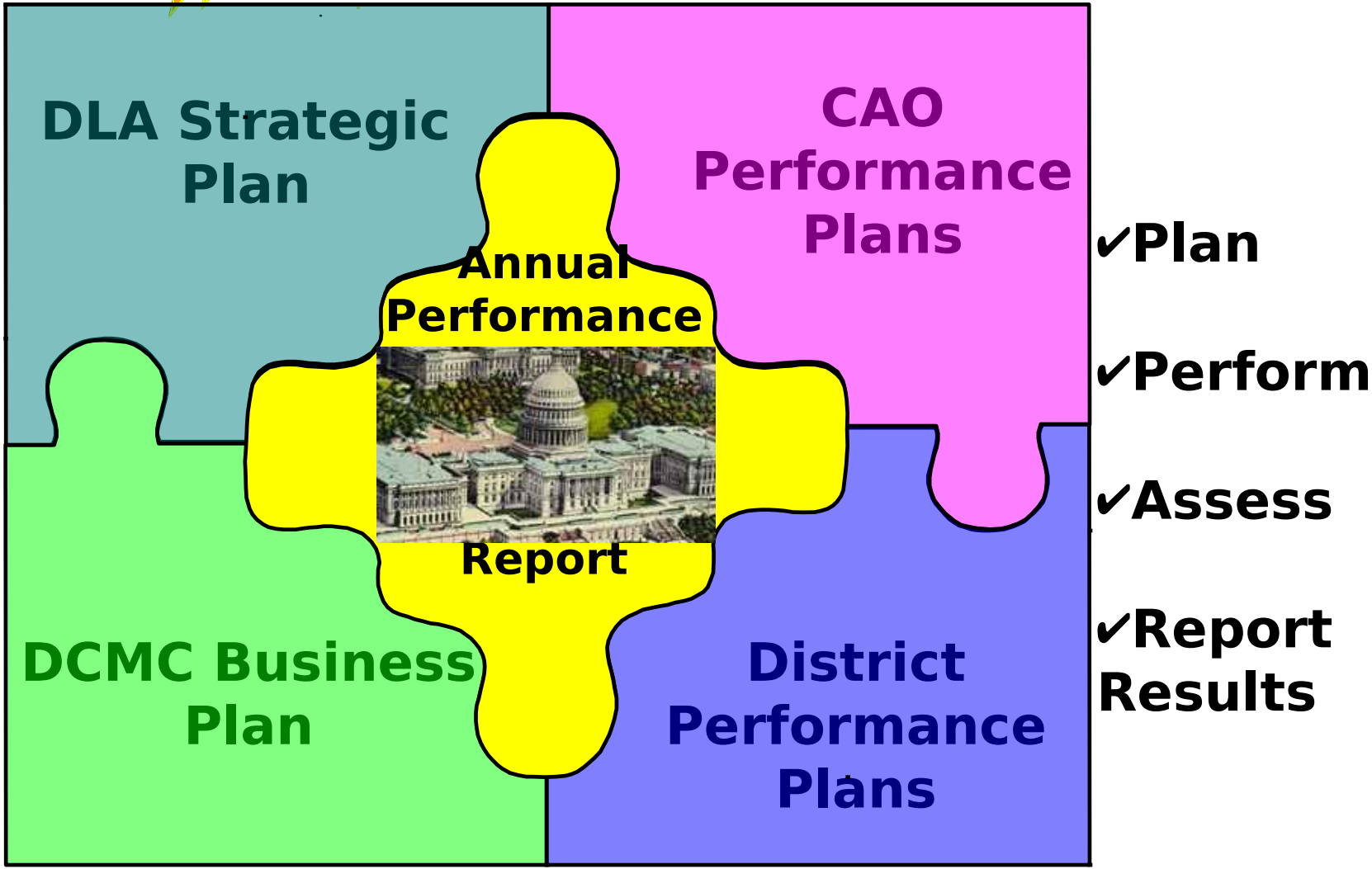
Using the NPR vision as our guide
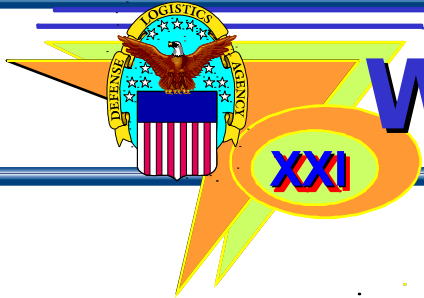
- ➢ **Focusing on <u>Outcomes</u> and Not Inputs**
- ➢ **Built on <u>Measurable</u> Performance <u>Goals</u>**
- ➢ **Program <u>Results</u> Compared to Intended Purpose**
- ➢ **Performance Goals Apply to All Levels in the Command**
- ➢ **Annual Performance Report and Periodic Mission Management Reviews**
- ➢ **Identification of Systemic Root Causes**

GPRA Compliance Because It Makes Good Business Sense

Roadmap is DCMC's Long Range Business Plan and Performance Goals

GPRA Puzzle

DLA Strategic Plan

CAO Performance Plans

Annual Performance

Report

DCMC Business Plan

District Performance Plans

✔**Plan**

✔**Perform**

✔**Assess**

✔**Report Results**

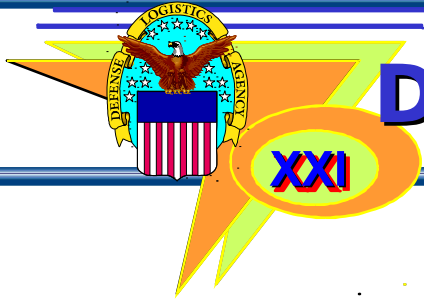# What makes a good plan?

- A solid business strategy
- Organizational commitment
- Accountability for results
- Measurable and achievable goals
- Strong focus on meeting customer needs
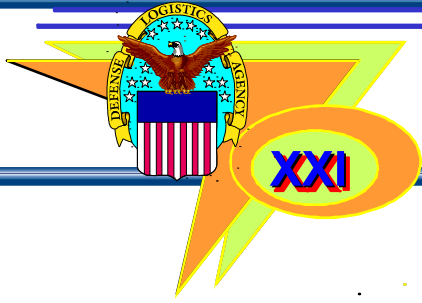- and an understanding by everyone in the organization how they fit in and contribute to achieving (goals

Developing the Business Plan

➢ **Long-range direction from Executive Council**

➢ **Topic areas for performance/investment goals determined by Executive Council**

➢ **Performance Plan contents written by individual HQ staff elements**

➢ **District/CAO input via Planning Team, BPT, RUC, EC**

➢ **Used lessons learned from FY 99 process**

  ➢**External GPRA review**

  ➢**Internal performance planning review**
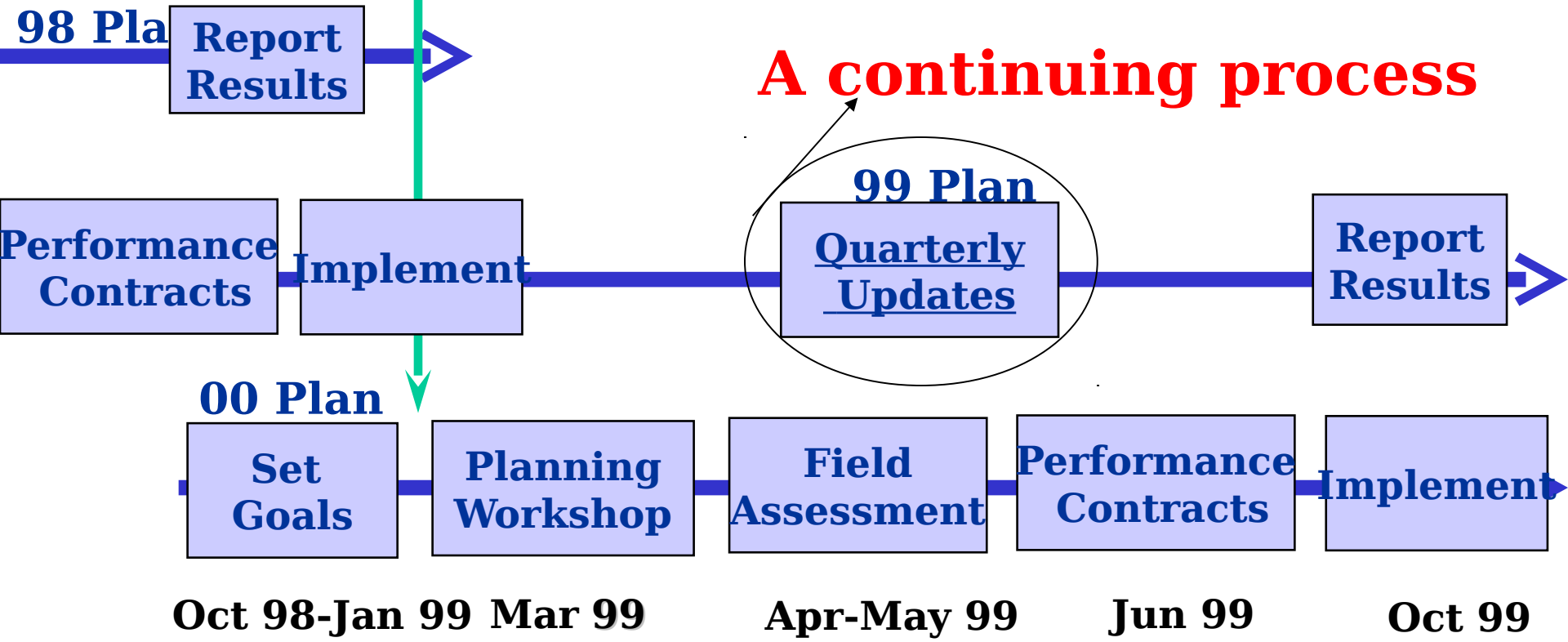
Collaborative effort at all levels

Planning Team

- **Representatives from HQ, Districts, CAOs**
  - **CAO participants added in response to lessons learned during Planning and Budget Review**
  - **Representative from PLAS PM** *New and Improved!*
- **Team's role in the process:**
  - **Facilitating plan development**
  - **Ensuring compliance with GPRA**
  - **Developing and facilitating standard planning and budgeting process**
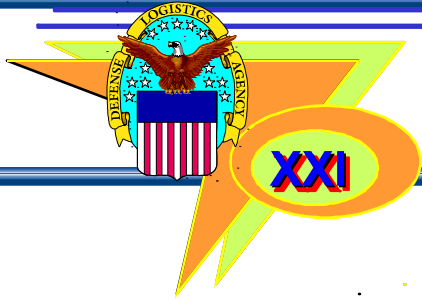 - **Communicating planning and budgeting process across Command**

Mission has changed - membership and role expanded/redirected.

DCMC Planning Cycle

You are here

98 Pla | **Report Results** →

A continuing process

Performance Contracts | **Implement** | **99 Plan** **Quarterly Updates** | **Report Results** →

00 Plan

| **Set Goals** | **Planning Workshop** | **Field Assessment** | **Performance Contracts** | **Implement** |

Oct 98-Jan 99 **Mar 99**   **Apr-May 99**   **Jun 99**   **Oct 99**

Long-Range Plan - Mission and Vision

XXI

Mission: "Provide customer-focused contract management services-- throughout the acquisition life cycle-- around the clock, around the world."

Vision: "DCMC people, teaming to provide world class contract management services--now and into the 21st century."

No change from FY 98 to FY 99 Plan
No change expected for FY 00 Plan
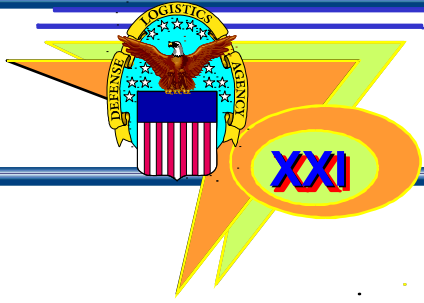
Long-Range Plan - Goals and Objectives

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Goal 1: Deliver great customer service.

Objective 1.1: Provide the right item at the right time for the right price.

Objective 1.2: Team with our business partners to achieve customer results.

## Goal 2: Lead the way to efficient and effective business processes.

Objective 2.1: Serve as a catalyst for the revolution in business affairs.

Objective 2.2: Accelerate acquisition reform by applying commercial processes and practices. Objective 2.3: Leverage information technology to improve business results.

Goal 3: Enable DCMC people to excel.

Objective 3.1: Invest to develop and sustain the right talent.

Objective 3.2: Build and maintain a positive work environment.
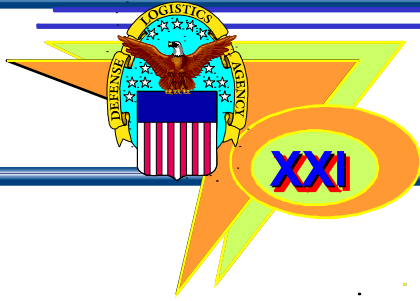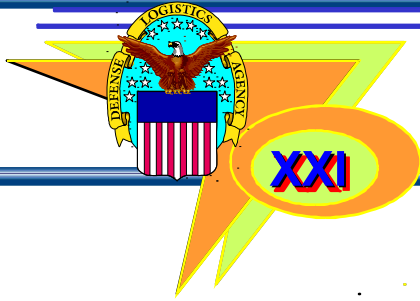
Performance Plan

Represents our Command priorities and our commitment on what we intend to accompli

- ➢ **Changes from FY 98/99 to 00**
  - • **Restructured and simplified**
  - • **More senior leadership involvement**
  - • **Metrics high level, customer focused**
  - • **More CAO involvement--better link to field**

Getting better but we've got a ways to go

- ➢ **New update released in Jan and posted on the Web**
- ➢ **Recent update - New Metrics Guidebook references**

Comparison 98 to 99

➢ **FY 98**

   1 Strategic Goal (3)

      1.1 Performance Goal (7)

         1.1.1 Task (100+)

            1.1.1.1 Subtask (HQ, Districts, CAOs)

➢ **FY 99**

   1 Goal (3)

      1.1 Objective (7)

         1.1.1 Performance/ Investment Goal (57)

            1.1.1.1 Task (HQ, Districts, CAOs)

➢ **Aligned by the 7 "Rights"**
➢ **Several HQ only tasks**
➢ **Fewer numbers for field**

➢ **Aligned by objectives**
➢ **HQ activities in implementation plans**
➢ **Fewer items, better link to CAOs**

But for 00 we need to incorporate more common metrics that are more meaningful to our customers

Performance Plan Contents

- ➢ **3 goals 7 objectives**
- ➢ **57 performance/investment goals**
  - • **Performance goals comply with GPRA**
  - • **Investment goals represent supporting activities**
- ➢ **Supplementation at CAO to adapt the DCMC global plan to reflect local initiatives supporting the goals and objectives in the Command-wide plan.**

So what's a CAO to do?

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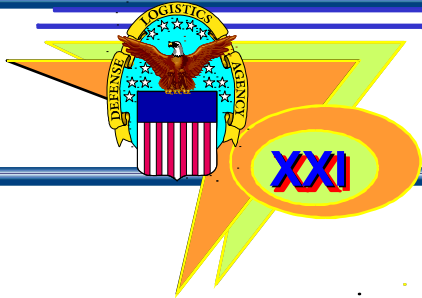
➢ **One of the major changes in the FY 99 plan is to pull out all the specialized taskings and make the plan more globally applicable**

➢ **Goal is to have a baseline plan that is meaningful at every activity**

➢ **But it's critical that each activity supplement the plan with things that help them help the Command achieve its strategic goals and objectives - and then monitor progress toward goal achievement**

➢ **What kinds of things should be added?**
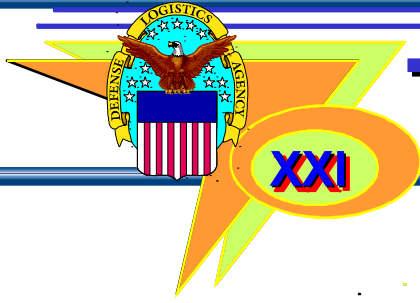
Turbo-charging the plan

- ➤ **Strategies for improving shortfall areas identified in the Internal Customer Survey**

- ➤ **Improvement opportunities from Annual Statements of Assurance and Unit Self Assessments**

- ➤ **Special agreements with customers**

- ➤ **Strategies for specialized or non-standard mission areas**

- ➤ **Strategies which help each member of our organization understand how they fit in and contribute to the Command's goals**
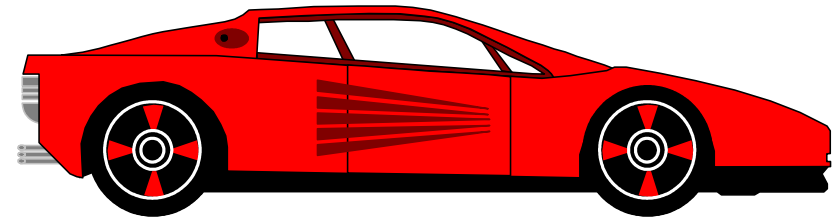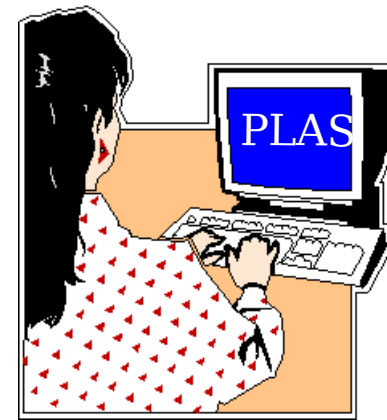
And we're working toward a stronger linkage to PLAS

Greatly reduced reporting requirements this cycle

➢ **Process codes aligned with goal or objective**

➢ **Formulas in contract built to capture hours/FTEs in a single place**

➢ **Only 15 goals in FY 99 have program codes**

- • **Goals HQ selected for Earned Value management**
- • **12 existing, 7 new (next NPxxx)**

PLAS

Performance Goal 1.2.1

Performance Goal - *Attain and sustain a customer satisfaction rating of 5 or greater for 90% of the overall customer base.*

Performance Goal Indicator - Metrics Guidebook/Computation Reference

Baseline Performance Level

PowerPlay Cube Name/Other Source of Data

PLAS Process Code(s) - *004*   **One Book Chapters: 5.1.1**

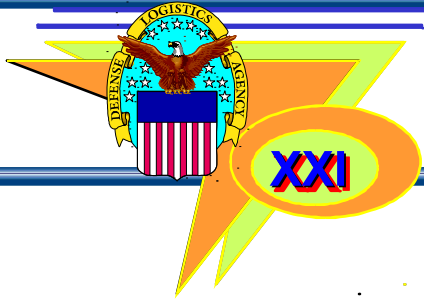**PLAS Program Code -**

OPR - *DCMC-PA*

OSR - *DCMDs*

Sample Structu

Target Completion Date - *September 30, 1999*

Strategy

➢ **Why?**

➢ **How?**

➢ **CAO involvement?**

> *This goal is at ALL org levels and is 1 of 5 goals in DCMCs performance contract with OSD*

DCMC Field Performance Contracts

XXI

**A "pyramid scheme" where key goals weave through all organizational levels.**

➢ **Revised format for 00**

➢ **Continued commitment to ...**

  • **Target level of performance**

  • **Target level of resources (FTEs)**

And the ability to negotia performance targets an required resources.

➢ **PLAS data translates into FTEs**

➢ **Goals translate into performance**

➢ **Flows to DCMC's Performance Contract with the Defense Management Council (our commitment with OSD)**

➢ **Data affects unit cost, Performance Plan, and ability to get resources throughout the Command**
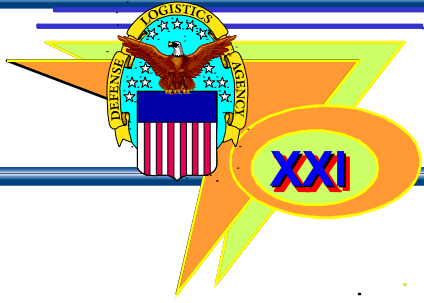
Negotiation Process

- ➢ **A first for the Command this cycle**
- ➢ **Definite growing pains but a strong initial step**
- ➢ **Targets were adjusted based on your input - nearly a dozen goals changed**
- ➢ **Individual goals for each CAO**
- ➢ **Commitment to level of performance for a given level of resourcing**
- ➢ **CAOs negotiate levels with Districts - Districts with DCMC HQ - DCMC HQ with DLA - DLA with OSD - SAME PROCESS BASED ON SAME GOALS**
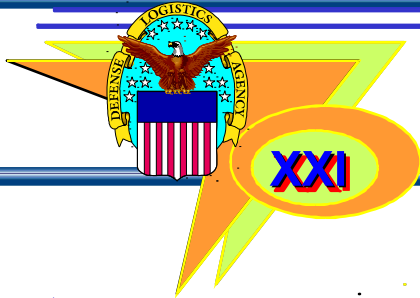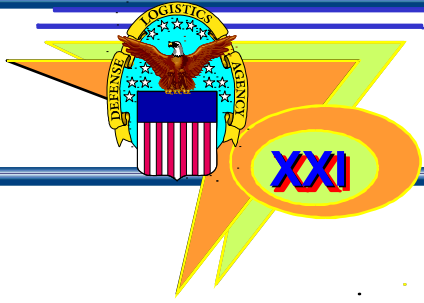
Common Themes
From a review of your FY 99 plans

➢ Common areas identified as needing improvement
  - ➢ Surveillance plans
  - ➢ Training and Certification tracking
  - ➢ Ensuring effective payment processing
  - ➢ Cross training opportunities - cross assigr
  - ➢ Data integrity

➢ New or missing areas
  - ➢ CAO standard operating procedures
  - ➢ Health and safety metrics
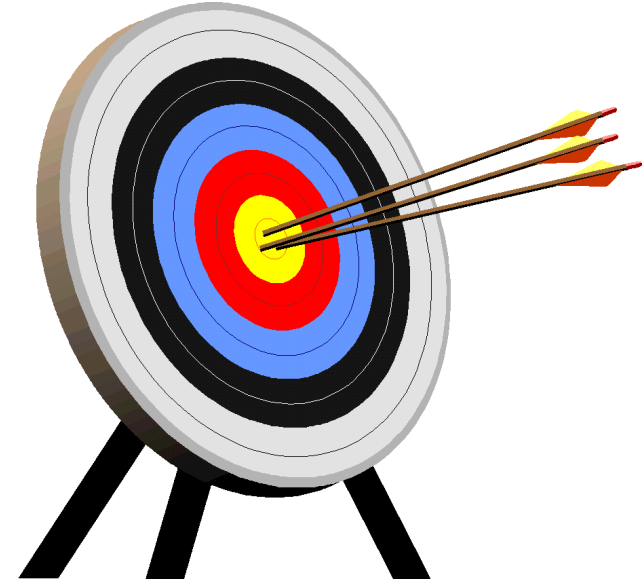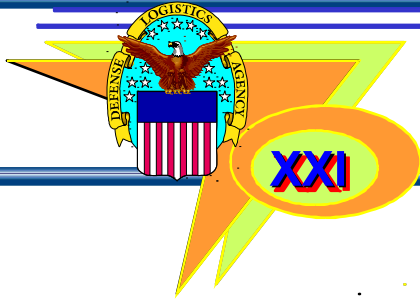 - ➢ Establishing team level performance plan
  - ➢ Small business
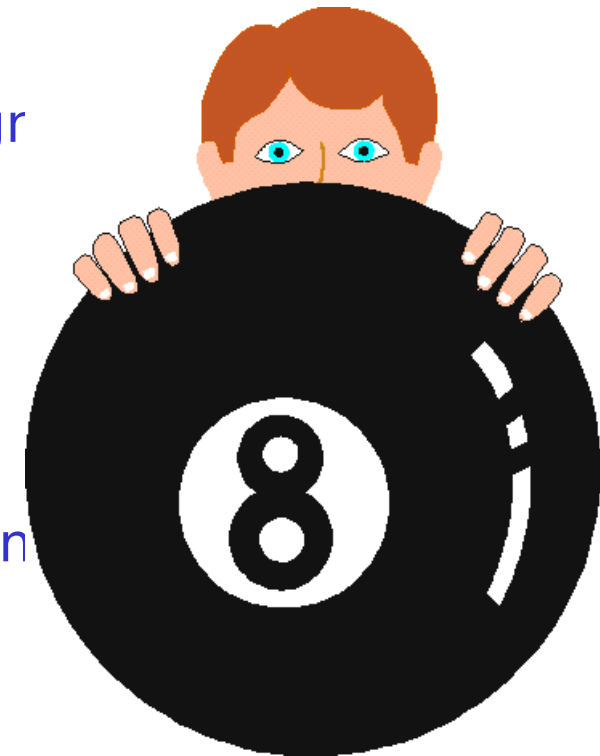
Other Common Themes

✔ Redoubled efforts

★ Refresher IT training

COGNOS training for team leaders

Formally establishing Performance Improvement Officers

Uncommon but interesting themes

➢ Local Metrics (some examples)

- Attain 60% retention level
- Track and report on number of employee concerns, comments, and ideas received through suggestion boxes
- Develop employee satisfaction metric
- Number and percent of customers with paperless contracting capability
- Decrease uncertified employees by 50%
- Improve # delay notices issued versus # schedules becoming delinquent by 50%

Uncommon but interesting themes

✔ Other ideas

- Establish peer groups for metrics data
- Establish peer groups for unit cost data
  - ◆ Establish formal dialog with peer group partners to share data and best practices
- Post EEO procedures and criteria for awards on Web page
- Establish local awards panel
- Establish mentor program
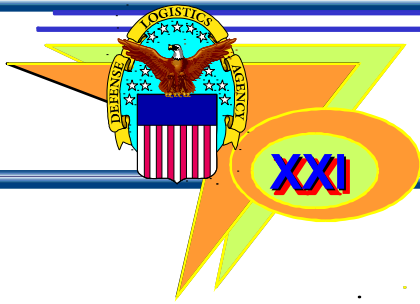
What's on the scope for FY00?

- No dramatic changes anticipated in format, style, or process
- More emphasis on results oriented goals
- Push toward still fewer goals
- More emphasis on negotiation process
- Development of more automated analysis to to expedite management review process
- Increased emphasis on Activity Based Management - identification of what our core processes cost
- Prioritization of performance goals
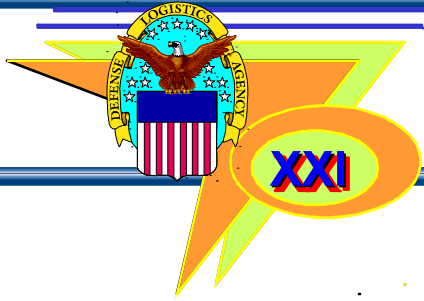
Summary
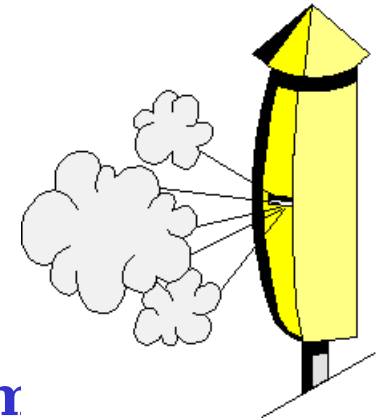
- ➢ **More improvements for FY 00**
  - **Shorter, simpler plan**
  - **Better compliance with the GPRA**
  - **More CAO involvement during developmᵉⁿᵗ**
  - **Long-term impact on ensuring field sees how they fit into plan**
- ➢ **Supplement the plan as required but retain focus on Command improvement priorities**
- ➢ **Progress monitored via management review process**
- ➢ **PLAS data supports organizational commitments at OSD level**